The House reassembled after lunch at sixteen minutes past two of the clock, **[The Vice-Chairman (Shri T.N. Chaturvedi)** in the Chair]

THE VICE-CHAIRMAN(SHRI T.N. CHATURVEDI) : Now, we take up the Statutory Motions:

STATUTORY MOTIONS

I. ANNULMENT OF NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) (AMENDMENT) SCHEME, 2000 PUBLISHED IN GAZETTE OF INDIA VIDE NOTIFICATION S.O. 58 (E).

AND

II. NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) (AMENDMENT) SCHEME, 2000 PUBLISHED IN GAZETTE OF INDIA VIDE NOTIFICATION S.O. 59 (E).

SHRI DIPANKAR MUKHERJEE (West Bengal): Sir, I move the following motion:

"That this House resolves that in pursuance of sub-section (6) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Nationalised Banks (Management and Miscellaneous Provisions) (Amendment) Scheme, 2000 published in the Gazette of India dated the 20th January, 2000 *vide* Notification S.O. 58 (E) and laid on the Table of the House on the 14th March, 2000, be annulled.

That this House recommends to Lok Sabha that Lok Sabha do concur in this Motion."

I also move

"That this House resolves that in pursuance of sub-section (6) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, the Nationalised Banks (Management and Miscellaneous Provisions) (Amendment) Scheme, 2000 published in the Gazette of India dated the 20th January, 2000 *vide* Notification S.O. 59 (E) and laid on the Table of the House on the 14th March, 2000, be annulled; and

That this House recommends to Lok Sabha that Lok Sabha do concur in this Motion."

SHRI NARENDRA MOHAN (Uttar Pradesh) : Sir, I want to raise a point of order. My point of order is, a Motion can only be moved if there is some basic defect in any notification issued by the Government of India. I am not going into the merits or demerits of the Notifications. The hon. Member is citing sub-Section (6) of Section 9 of the Banking Companies (Acquisition & Transfer of Undertakings) Act. It is this very section which empowers the Government of India to make all the necessary amendments in the rules. So, I think, either Shri Dipankarji should say in what way it infringes the Act....*(Interruptions)*...

SHRI MD. SALIM (West Bengal): Are we going to have a discussion on the Motions, Sir? *(Interruptions)*

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI): No, *(Interruptions)*... You please go ahead. Because it refers to the contents of the Motion, it is not necessary, at this stage. Shri Pranab Mukherjee.

SHRI PRANAB MUKHERJEE (West Bengal) : Sir, I move:

"That this House resolves that in pursuance of sub-section (6) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Nationalised Banks (Management and Miscellaneous Provisions) (Amendment) Scheme, 2000 published in the Gazette of India dated the 20th January, 2000 vide Notification S.O. 58 (E) and laid on the Table of the House on the 14th March, 2000, be annulled.

That this House recommends to Lok Sabha that Lok Sabha do concur in this Motion."

SHRI ARJUN SINGH (Madhya Pradesh): Sir, I move:

"That this House resolves that in pursuance of sub-section (6) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Nationalised Banks (Management and Miscellaneous Provisions) (Amendment) Scheme, 2000 published in the Gazette of India dated the 20th January, 2000 vide Notification S.O. 58 (E) and laid on the Table of the House on the 14th March, 2000, be annulled.

That this House recommends to Lok Sabha that Lok Sabha do concur in this Motion."

The questions were proposed.

SHRI MD. SALIM : Sir, I must put it on record. If there is any Statutory Motion in the List of Business, it contains the names of so many Members because so many hon. members give notice. But one of those Members in order of seniority can move that Motion. There is no need for all the Members to move the same Motion.

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI): It only stresses the gravity of the Motion and if some senior Members are there, it further underscores that gravity.

SHRI DIPANKAR MUKHERJEE: Sir, why have we brought these Motions? Sir, this Notification became effective from 20th January, 2000. Four months have passed. I feel that this action which has been done is a legislative one rather than an executive one. There are the Supreme Court orders also on this. Section 9 (3) of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, mentions how the Board of Directors should be constituted. It says, "Every Board of Directors would include: (a) two whole-time Directors; (b) one representative of the Central Government; (c) one representative of the RBI; (d) two Directors; (e) one employees' representative; (f) one employee who is not workman; (g) one Chartered Accountant, and (h) six Directors to be nominated by the Central Government." They have brought an amendment in regard to the term of these Directors. The term of the Directors is supposed to be three years and after that they cease to be Directors. But before that their successors have to be nominated. Sir, the amendment which has been laid on the Table of the House has deleted this part, i.e. they cease to be Directors but before that their successors have to be nominated. In this process, as far as my information goes, 133-134 Directors are no longer in position in most of the 20 Nationalised Banks. Out of that 11 are workmen and three are employees' representatives. There is no continuity. I am not able to understand it. If the Government wanted to reconstitute the Board of Directors, they had the option to do it. But why have they done it without ensuring continuity? It is not clear to me. In this connection, I would like to quote the observation of the Supreme Court which clearly shows the spirit of the Act. It says, "The true management culture is indeed the culture that represents various interests of persons specified under Section 9 as well as larger and wider interests of the national economy as postulated in the preamble of the Act." This observation says everything which I have to say. So far as column (h) six Directors to be nominated by the Central

Government is concerned, I am aware that they were political appointees. If they want to dispose them of, I have nothing to say. But I am keen on employees' representative, an employee who is not workman and Chartered Accountant. If the Government wanted to serve the basic purpose which has been specified in the Act, they should have seen that the continuity was not broken.

My apprehension is (a) whether, with a shrunk Board of Directors, the Government wants to expedite the disinvestment process of the banks with only its own Directors, maybe, four or five, on the Board; and (b) knowing fully well that the year is ending on 31st March and the balance-sheets are to be prepared, whether certain things are to be put under the carpet. That is why, from January up till now, the Government has not even filled up these vacancies and these banks are running with managing committees who decide about the loans, with only the whole-time Chairman and the Managing Director, and the Government's nominee. What is the intention of the Government? I would ask: What is the hidden agenda? - अगर मैं यह कहूंगा तो वेंकैया नायडू साहब खड़े हो जाएंगे। Whatever it is, if there was an urgency to remove these directors, why is this urgency not reflected in reconstituting the Board? And so far as employers' and employees' representatives are concerned, we would like that the spirit of the Act should be maintained and there has to be a continuity, irrespective of change in Government.

SHRI PRANAB MUKHERJEE : Sir, my point is very simple. Firstly, when this Scheme was introduced after the nationalisation of banks and the Acquisition of the Bank's Management and Properties Act was enacted in Parliament, it was done in two phases - first, the nationalisation of banks on 14th July, 1969, as is known to everybody; but when it was declared null and void by the Supreme Court on the basis of the Golaknath case, again it was re-enacted in 1970. And, thereafter, certain other banks were also nationalised in 1980. Therefore, in these two Acts, the present scheme of constitution of the Board of Directors from different categories of persons is found. And, since 1970, this scheme has been operational. The basic point in this scheme is, it is for the Government of the day to amend these things. There is no bar on the Executive to amend this scheme. But there is a provision in the Act itself that whatever changes or amendments the Government proposes to make in this scheme itself, that amendment has to be laid on the Table of the House within a period of 30 days. Sir, you are

aware that everyday, when Papers are laid on the Table of both the Houses, a large number of notifications are also simultaneously laid on the Table. And, in this regard, there are clear provisions in regard to Statutory Resolutions; the book 'Rajya Sabha at Work' talks of provisions in respect of Statutory Resolutions, from page 570 onwards - there are twenty pages covering this aspect. Therefore, it is incumbent on the Government to come before the House and get the approval of the House in regard to articles 249 and 352. But is it not mandatory on the part of the Government to lay on the Table of the House the reasons for non-compliance of a statutory provision? Of course, in one case, the Government, invariably, comes and takes the approval of the House, and that is, in regard to the Customs Act of 1975. When the prohibitive duty, the protective duty, is enhanced, then, the Finance Minister, invariably, comes to the House and takes the approval of the House. In respect of other statutory notifications, where there is an obligation on the part of the Government to lay it on the Table of the House within 30 days of the sitting of the House, but not necessarily to get the approval of the House, -it lies in the scheme itself - the Members of Parliament have the right to pick up any such notification and express his view, and if a Member of Parliament picks it up, then, a Statutory Resolution is moved by the Member.

Once it is moved by the Member and then admitted and taken up by the House, the House has to express its views. So far as the present notification is concerned, the present scheme is concerned, it has been stated that it will have to be laid on the Table of the House and the Minister has done that. This scheme was amended on 20th January. This scheme was laid on the Table of the Lok Sabha on 10th March. This scheme was laid on the Table of the Rajya Sabha on 14th March. I have no dispute on that; I have no quarrel. The Government has complied with that part of the requirement, but where, to my mind - and I am subject to correction by the Minister - the Government has failed is where they have already put it into operation, after making the amendments on 20th January. The interpretation of the law, according to me, that Government should have waited till the completion of 30 days. If Parliament had not taken notice of it, it would have been assumed that Parliament had agreed to it and there was no need of bringing it. Sir, in this connection, I would also like to draw the attention of the hon. Minister to a case in which the Supreme Court had given a judgment. It is civil appeal No. 4247 (50 of 1996) decided on 13.3.1996, New Bank of

India Employees' Union *versus* Union of India, where it has been stated and I quote only the relevant portion, "whereas under the Banking Regulation Act Scheme framed as merely to be placed before the Parliament and nothing further, but under the Acquisition Act, the scheme becomes effective only after the same is placed before both the Houses of Parliament and after the Parliament makes such modifications and agrees to the scheme. In this view, the matter of the decision of this court in supra case whether simply by modifying the scheme can the Government make it operational from the day of the Gazette notification.' In this the relevant date is 20th January, 2000. This is one point on which I would like to seek a clarification from the hon. Minister.

The second point on which I would like to seek a clarification from the hon. Minister is, why this scheme was passed. Umteen number of discussions have taken place. Umpteen number of court cases have been filed. In the spirit of nationalisation, in the spirit of taking control over the nationalised banks, it was suggested, as it was pointed out, when the Nationalisation Bill was piloted by the then Prime Minister on the floor of the House and on the floor of the other House, that an institution which serves, subserves, the largest interest of the people be brought within the control of the people through the representatives of the people in various schemes. In a number of judgments - one thing has been quoted by my friend, Shri Dipankar Mukherjee - it has been pointed out that an institution, like bank, must, in its policy formulation, in its administration - not day-to-day administration, of course; that will be left to the executive, but in the policy formulation - must represent the cross-section of the interest of the people. That is why it was suggested that one per cent - this will be nominated by the Government - is there to protect the interest of the defaulters. There must be a Chartered Accountant, there must be a representative of the workmen, there must be a representative of the employees, there must be a representative from the Reserve Bank of India, Government representatives. Normally, the Ministry sends a representative to the nationalised banks at the level of the Joint Secretary or some other appropriate level.

Six persons should represent various interests. I have no quarrel. The Government of the day can decide as to who will be in a better position to represent which interest. That prerogative lies with the Government. It is for the Government to decide as to who will be nominated. Surely, I can't raise a

question on that. But in regard to two representatives, representing the workmen and employees, an elaborate scheme was worked out as to how they will be chosen. Where there is a representative union, you can decide which representative union is in a position to send it. The Government accepts it and then they will have the priority. If there is no representative union then what has to be done? All these things have been elaborated in the scheme itself. This elaboration clearly demonstrates that the Government is keen to have the right type of representative of the workmen and the right type of representative of the employees of the bank. They should also participate - you talk of management culture wherein employees and others also would participate in it. It is true that because of certain factors, the constitution and reconstitution of the Board of Directors has taken an unusually long time. It took a long time even during our time also. For that, I am not blaming the Minister. But, at the same time, this job is to be done. When it is to be done, I expect the Government to come forward, if they want to have a scheme, if they want to improve the same. Surely, nobody would like to argue that what was decided twenty years back is sacrosanct. If the Government of the day considers that with the changing situation, certain amendments, certain modifications, certain changes, in the scheme are necessary, by all means, they have got a right to do so.

What I want to point out is, the Government should have explained the scheme to the Parliament; and, after explaining it to the Parliament, if you want to implement it, there will be no problem. This is one area where everybody is interested. On an earlier occasion, the other day, while replying, it was pointed out that the Government was not going to just denationalise the banks and the Government was contemplating on bringing fresh capital; and, in that process, the Government was going to invite private sector capital also. But there was no question of disinvestment straightaway by reducing the Government's share. If I understand the Minister correctly, he explained like that. But there is a lot of talk going on; and, in that process, when a large number of bank directors are changed, in 20 banks, naturally, it creates a lot of confusion. You have a right to put the type of persons whom you feel can represent various interests in the best manner. The law gives you this authority. The statute of the scheme, its real implication, according to my understanding, is to be laid on the table of the House; not merely for increasing the academic interest of the Members, but because if some Members consider it necessary to have a pointed and

focussed discussion, he can resort to the provision of Statutory Resolution and bring it to the notice of the House, invite comments and response from the Government and, thereafter, the House can decide.

Therefore, I would request the Government, especially the Finance Minister, to give us an assurance that he will bring out a comprehensive scheme, in tune with the changing situation and take both the Houses into confidence, discuss the scheme and, thereafter, implement and operationalise the scheme. If this is done, I think, the attention, which the mover wanted to draw of the Government, would be served.

I do feel that this legal position should also be clarified. It can be interpreted that this matter can be taken up in detail by the Subordinate Legislation Committee of both the Houses. Since this is brought in the Rajya Sabha, it should have been taken up here in the Rajya Sabha. I request the hon. Minister to give an explanation as to what is the impact of the Supreme Court judgment, where they have interpreted that this particular act as a legislative act.

If it is so, then what would happen? Of course, there is a provision, a saving clause that in between if the Parliament nullifies that does not mean what action has been taken from 20th January till date will be nullified. That action will remain intact. Normally saving provisions are provided in every clause. But, what I feel is that there was no need of a great hurry or urgency. For several years these Boards have not been constituted. If you want to have a scheme, if you have a better scheme, a better idea, if you want to bring changes which are required in the changed situation, by all means, you do that. But, before implementation, you please take the House into confidence and bring your proposal or scheme so that we have an opportunity to examine it, to scrutinise it. With these words, I stand by my motion.

SHRI NARENDRA MOHAN : Sir, I am glad that in the beginning itself Pranabji made my job easy in a sense that he agrees that the Government has the power to amend the scheme. Earlier, the case was presented by my able friend, Dipankar Mukherjee, as if the Government does not have the power. The Government has the power and it is stated in the banking law. It says, "The Central Government may, after consultation with the Reserve Bank of India, make a scheme to amend or vary any scheme..." Now, the question here is whether the RBI has been taken into confidence. The RBI is an

institution which regulates the total banking operations of our country. The Government of India does not in any way, directly or indirectly, interfere in the working of the RBI. It is through the RBI that everything goes on. Now, since the RBI is the main institution, the most important institution in this case, what action should be taken, that was to be decided. The RBI in its own judgement after studying the various audit reports and after studying the working of the various nationalised banks thought it proper that the Boards should be reconstituted. It was not a political decision as has been projected. It is a decision of the RBI. Of course, the Finance Ministry must have been consulted or must have given its opinion. The Banking Secretary might have given his opinion. But, when the RBI has taken the whole thing in its own hand, should the Opposition not rely on the judgement of the RBI? Why should the judgement of the RBI be challenged here? The Parliament makes laws. The Parliament does not make rules as has perhaps been formulated. It is not a question of amending a law. It is a question of using a particular rule or changing or making a scheme. When a scheme has been framed by the Government of India or in this particular case by the Reserve Bank of India and that scheme has been approved by the Government of India, then what is the objection? The objection, as Mr.Dipankar Mukhrjee thinks, is that some balancesheets have to be finalised and 'some thing can be placed under the carpet', as he used the words. ... *(Interruptions)*... Mr. Nilotpal, I am quoting only what Mr. Dipankar has said. ... *(Interruptions)*... Let me make my point. My friend and others in Parliament should not unnecessarily cry "wolf, wolf, wolf". The Government has no intention to hide any wrong doings of any nationalised bank. The Government is absolutely transparent through the RBI. The RBI Directors are there to look after it. Besides the RBI Directors, there is a Managing Director and there is a Chairman. There is a nominee from the Ministry of Finance as a Director. The question is whether they are doing or performing their work. The question here is, whether the Board of Directors of the various nationalised banks are functioning or not functioning. If they are functioning properly as per the law, as per the Constitution of India, under the framework of the Banking Act, what is the worry? Either you or somebody should say here, "Look this Board is not performing its duties as per the law." When the Board is performing its duty as per law, under the guidance of the RBI through the Dy. Governor of the RBI, who is, practically, everyday, supervising the working of the various nationalised

banks through audits, through C.As., through internal audits and through various other schemes, then the fear that the Government has a malafide intention in changing the board is ill-founded. That is my first submission.

My second submission is this. Sir, Pranabda has said that the Government should have waited for thirty days after the notification. I think, practically, he is trying to over-stretch the rules. The question is, was it mandatory? If a particular rule or a particular Act is mandatory, then, of course, he is right. He himself says that it is not mandatory. Then, what for it is? He says that the Government should come and explain the scheme to the Parliament. Was it mandatory? The question which we should think and deliberate here is, if it is not mandatory and if the Government of India, through the RBI has done something, at the most, we can seek clarifications from the Minister, which, of course, Dipankarji and Pranabda, have been seeking. I have no objection to it. But the basis of my objection is, when you are pointing your finger and saying that the Government has a malafide intention, I would say that nothing is there. Such a thing does not exist at all. I would like to demolish that thesis. The thesis that the Government is bad in its intention is ill founded.

The other point is this. How is a scheme framed under the Banking Act? It is not the Finance Ministry which frames any scheme, but it is the RBI which frames a scheme. When the RBI frames a scheme, when the RBI approves a scheme, then should we say that the RBI is preparing schemes or framing schemes with a political motive? The way the motion has been moved, I think, shows that it has been moved with a political motive. This has been moved to malign the Government... *(Interruptions)*...

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI): This is his way of looking at it... *(Interruptions)*...

SHRI PRANAB MUKHERJEE: Just one second. This is the scheme of the Ministry of Finance. This has been published in the official Gazette. It is a Resolution of the Ministry of Finance. Yes. The Government might have been advised by the RBI. But, it is the scheme of the Ministry of Finance... *(Interruptions)*...

SHRI NARENDRA MOHAN: Pranabda, I am obliged to you because you are only taking my line. My line is very simple. It is this. When the RBI has amended a scheme and the RBI advised the Ministry of Finance to

issue a notification, now, the question arises whether the Government of India should flout the orders of the RBI?

SHRI MD. SALIM: Sir, I have a point... *(Interruptions)*...

THE VICE - CHAIRMAN (SHRI T.N. CHATURVEDI) : Please, no... *(Interruptions)*... You have made a request... *(Interruptions)*... No, no... *(Interruptions)*... If you intervene between them, you do not have time to put forth your point of view... *(Interruptions)*...

SHRI NARENDRA MOHAN: Let me say that when the RBI has advised the Government of India to issue a notification, whether the Government of India should not follow that advice. That is the question here. The point which my learned Opposition friends are making is, the Government should not follow the advice of the RBI and should act in its own way. That is not the intention of the law. The intention of the law is, whenever the RBI formulates a scheme, after a full-fledged discussion with various sections, it advises the Government that the Ministry of Finance should issue a notification instantaneously.

Now, it is being tried to unnecessarily find out loopholes in the scheme. I think, you should have said, or somebody should have pointed out, that these are the following loopholes. *(Interruptions)*

SHRI VAYALAR RAVI (Kerala) : What is the scheme? *(Interruptions)*

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI): Let the Minister.... *(Interruptions)* Please don't ask him. *(Interruptions)*

SHRI NARENDRA MOHAN: Mr. Ravi, the scheme is in a particular case.... *(Interruptions)* To restructure the Board so that there can be a better functioning of the banking system. Restructuring is also a part of the scheme. The nationalised banks should also function properly, and should be ready to compete in the monetary market. The nationalised banks which are losing heavily, which are having a lot of NPAs, should also function properly. They should improve. The earlier Board was not appointed by this Government. This Government is only trying to remove those faults that were made by the earlier Governments. This Government has no *mala fide*

intention in this regard. Sir, I am not going into the details of whatever has been done earlier. I am not going into the merits or demerits of the earlier appointments. *(Interruptions)*

SHRI DIPANKAR MUKHERJEE: Sir, he has taken eight minutes, but still, I don't know whether he is opposing the Motion, or, he is supporting the Motion. *(Interruptions)*

THE VICE-CHAIRMAN: He is interpreting it in his own way. *(Interruptions)*

SHRI NARENDRA MOHAN (SHRI T.N. CHATURVEDI): Sir, my only submission, through you, to my Opposition friends is this. I am just going to finish within one minute. For God's sake, let the banking industry be placed above politics. *(Interruptions)* If you are seeking politics through the banking sector, then it is going to do a lot of harm. Thank you.

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI): Now, Mr. Virumbhi. You have got only two minutes.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Sir, this particular Motion is regarding the Board. So far as the constitution of the Board is of nationalised banks concerned, as Shri Pranab Mukherjee has categorically stated, this Government should come forward with a comprehensive scheme, as early as possible. The Government should seek the wisdom of the House. Shri Pranab Mukherjee himself has accepted that a delay occurred in the constitution of the board even during their own tenure. As observed by the hon. Member, my friend, the mistake lies in the scheme itself. Had there been some provision in the scheme to appoint the directors in a time-bound manner, this would not have happened. Those who have been serving as directors would have left the Board because their tenure was over. The position was that the directors could continue to hold office till a new director comes and replaces the old one. Now, as per the new orders, new scheme, changes in the statute, what I feel is, even if a new director is not appointed by the Government, and a director's tenure expires, he will have to go out of the Board. Secondly, I would like to know whether the posts which have become vacant during the process have been filled up by new appointments or not. If not, the reasons therefor. Then, we would like an assurance from the hon. Minister because the interests of the

depositors, employees, employees other than workmen, farmers, workers, and artisans in several sectors are protected by these directors. When they leave office, immediately appointments ought to be made to see that the interests are protected. If it is not done, it means there is some lacuna in the 1970 scheme itself. Therefore, the Government should come forward with some changes in the scheme to see that before the tenure of a Director expires, within a reasonable period say, three months or six months, action must be initiated to see that that vacancy is filled up. That has to be intimated in the form in which you want the approval from the Government. There should not be a single day's gap between the expiry of the tenure and the appointment of a new Director. The amendment should be done on such lines. I hope the hon. Minister would give such an assurance to the House to satisfy the mover of the motion. In the meantime you should formulate a comprehensive scheme.

SHRI R. MARGABANDU (Tamil Nadu): Sir, views have been expressed on this Notification. A deletion clause has been introdued. Thereafter "until the successor has been nominated" shall be deleted. Similarly "thereafter until the successor shall have been duly elected" shall be deleted. What is the reason for the deletion? This must be expiained. Constitution of Directors is provided for the effective functioning of the Banks. Apart from the Government, even the representatives of the employees, workmen and others are kept there to have a cross-check over the administration. But, as it is said, nearly 133 posts of directors are lying vacant. Banks are functioning without effective representation. As a matter of fact there is mal-functioning of the banks. Several NPAs are there; several debts have to be recovered. Frauds in banks transaction and mal-practices should be checked by the representatives of different categories. I would like to know the reason behind deleting these sections.

* **मोहम्मद सलीम** : सर, मैं धन्यवाद देता हूं श्री दीपांकर मुखर्जी, श्री अर्जुन सिंह एवं श्री प्रणब मुखर्जी को जो सदन में इस मोशन को लाए हैं । दरअसल ऐसे बहुत से नोटिफिकेशन्स आते रहते हैं लेकिन राज्य सभा के साथ इस विषय का एक अलग संबंध है । हमें याद है राज्य सभा एश्योरेंस कमेटी की रिपोर्ट पर सदन में यह सवाल उठा था । उसने अपनी रिपोर्ट में कहा था कि ये जो नॉन ऑफीशियल डायरेक्टर्स हैं, जिन्हें आप इस

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* **Transliteration of the speech in Persian Script is available in the Hindi version of the debate.**

3.00 P.M.

नोटिफिकेशन के ज़रिए निकाल रहे हैं या जिन्हें आप रखना नहीं चाहते हैं, वह जगह बरसों से खाली रहती थी । जो फाइनेंशियल इंस्टीटचूशन या बैंकिंग इंस्टीटचूशन होते हैं, वे हमेशा यह चाहते हैं कि चार-पांच लोग उसे मैनेज करें । अब जैसे बैंकर्स क्लब है, चाहे मुम्बई में हो, दिल्ली में हो, बंगलौर में हो या कलकत्ता में हो, ऐसे सौ-डेढ़ सौ लोग हज़ारों करोड़ों रुपए का जितना बैंक का मामला है, जितने डिपॉजिट्स हैं, जितना ट्रांज़ैक्शन है, उसको वे कंट्रोल करते हैं। बाद में हमने वर्कमेन रिप्रेज़ेंटेटिव्ज़, ऑफिसर्स रिप्रेज़ेंटेटिव्ज़, डिपॉज़िटर्स रिप्रेज़ेंटेटिव्ज़, एग्रीकल्चरल रिप्रेज़ेंटेटिव्ज़ को रखकर कुछ उनकी बात को भी रखा जा सके या अलग-अलग जो सेक्शन्स हैं समाज के, उनको भी देखा जा सके, ऐसा विचार किया । मैं आपसे सहमत नहीं हूं कि चाहे वह कांग्रेस के ज़माने में हो या उसके बाद हो कि इसी के बहाने कुछ अपने लोगों को बैठा दिया और फिर बैंक का भट्टा बैठ गया ।

यह भी हो सकता है और ऐसा हुआ भी है। ऐसा नहीं होना चाहिए। लेकिन नरेन्द्र मोहन जी यह कहने लगे कि यह पवाइंट आफ आर्डर है कि यह आया क्यों? अरे, यह संसदीय परंपरा है, एग्जीक्यूटिव को सब पावर मत दीजिए। हम कानून बनाते हैं और कानून के तहत सब आर्डिनेट लेजिस्लेशन ब्यूरोक्रेट्स को हम देते हैं लेकिन पार्लियामेंट

श्री नरेन्द्र मोहन : इन्होंने जो यह कहा है कि यह संसदीय परंपरा है, इसकी मुझे जानकारी है। लेकिन संसद ने रिजर्व बैंक को देखने के लिए अधिकार दिया है। ...(**व्यवधान**)...

उपसभाध्यक्ष (श्री टी.एन. चतुर्वेदी) : आपको याद दिला रहे हैं।

श्री नीलोत्पल बसु : नरेन्द्र मोहन जी, आप आधे घंटे बाद भाषण दीजिए। ...(**व्यवधान**)...

उपसभाध्यक्ष : विवाद में आपको याद दिला रहे हैं।

***श्री मोहम्मद सलीम** : स्टडी करने का फिर ऐसा मौका नहीं आता इसीलिए मैंने आपको धन्यवाद दिया। आपको धन्यवाद देना ही चाहिए क्योंकि इसके बहाने आपको कुछ बोलने का मौका तो मिले। यह क्यों लाए, पहले आपने इस बात पर बहस में हिस्सा लिया और फिर प्रणब मुखर्जी को धन्यवाद दिया, आपने कहा कि सही दिशा दिखाइये। ...(**व्यवधान**)...

*** Transliteration of the speech in Persian Script is available in the Hindi version of the debate.**

उपसभाध्यक्ष (श्री टी.एन. चतुर्वेदी): आप अपनी बात कहकर समाप्त करिए।

***श्री मोहम्मद सलीम** : यहां पर ऐसा है कि कानून के तहत गवर्नमेंट के एपोइन्टेड दो होल टाइम डायरेक्टर्स तो रहेंगे। उनमें एक तो सैन्ट्रल गवर्नमेंट के ज्वाइंट सैक्रेटेरी या डिप्टी सैक्रेटेरी लेवल के आफिसर जाते हैं और एक आरबीआई का रिप्रजेंटेटिव होता है, क्या इनके हाथ में आप पूरा बैंक दे देंगे? आप तमाम डायरेक्टर्स को छोड़ देंगे? आप कहते हैं कि मैलाफाइड इंटेशन नहीं है, सरकार की कोई ऐसी मंशा नहीं है, इसको राजनीति से मत जोड़िए। सुषमा जी आपसे एक कदम आगे बैठी हुई हैं। जब एक साल या डेढ़ साल पहले प्रसार भारती में डायरेक्टर और एग्जीक्यूटेव बनाने का मामला आया था

उपसभाध्यक्ष (श्री टी.एन. चतुर्वेदी) : : आप इस बात पर रहिए।

***श्री मोहम्मद सलीम** : इस दौर में इस तरह से काम किया जा रहा है। आप किसी व्यक्ति को पसंद नहीं करते हैं उसे हटाना चाहते हैं तो इसके कारण लेकिन आप इस कारण जो हमारी परंपरा है उसको मत रौंदिए। अगर आप किसी व्यक्ति को हटाना चाहते हैं तो इसके लिए कुछ कायदे-कानून हैं। उसको हटाने के लिए आप एग्जीक्यूटिव आर्डर ले आते हैं। आप आर्डर ले आइए, नोटिफिकेशन कर दीजिए। संसदीय परंपरा में इस तरह करने से बहुत गलत होगा। आपका अपने लोगों के लिए मेन मकसद है कंटीन्यूटी। कंटीन्यूटी आपने इसलिए खत्म की है क्योंकि यहां एक पार्टी की सरकार नहीं है। यहां एक पार्टी की सरकार होती तो जैसे कांग्रेस की थी, तो अपने लोगों को चुनना आसान होता। क्योंकि आपकी दो दर्जन पार्टियों की एलाइंस है, सब अपना-अपना स्टेक मांग रहे हैं और डायरेक्टर लेवल की पोस्टें कम हैं। आप मुश्किल में हैं कि आप किसको एपोइंट करें, किसको न करें। इसलिए आपने जरूरी नोटिफिकेशन को भी टाल दिया और आप इसको भी टाल दें ताकि बाद में बैठकर सलाह-मशविरा कर सकें कि किस पार्टी को दो पोस्ट मिले तो और किस पार्टी को चार पोस्ट मिले। इस तरह से देश का भट्टा मत बैठाइए।

उपसभाध्यक्ष (श्री टी.एन. चतुर्वेदी) : श्री दीपांकर मुखर्जी, आपको तो कुछ नहीं कहना है?

श्री दीपांकर मुखर्जी : जी कुछ नहीं कहना है।

उपसभाध्यक्ष (श्री टी.एन. चतुर्वेदी) : ओ.के. ऑनरेबल फाइनेंस मिनिस्टर।

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Sir, I will join hon. Member, Shri Md. Salim in congratulating Shri Dipankar Mukherjee, Shri Pranab Mukherjee and Shri Arjun Singh for having brought

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this matter through a provision which is available to Members as a right in this House. A Statutory Motion in regard to a matter like this is well within the right of a Member of Parliament in this House, and, therefore, there is absolutely nothing wrong in their having raised this issue in this House. In fact, they deserve a special congratulation because, the last time, I am told, such a Statutory Motion was moved in this House some 14 years ago, i.e., in 1986. So, it is a matter on which the House can certainly compliment those hon. Members who have brought this Statutory Motion.

Sir, the other general point, which I would like to make in the beginning, is that this action of the Government has been challenged in the Delhi High Court, and the matter is, in a way, sub-judice. The next date is 7th July. I think as far as the legal validity of this action of the Government is concerned, the Court will pronounce its judgement in due course. But, through you, Sir, I would like to take the House into confidence and say what exactly we have done. What we have done is, under the scheme which has the status of a subordinate legislation under the law, we have deleted a certain expression which appeared in brackets. It said that a non-official director will continue as a director until his successor had been appointed even after his three-year term, for which he had been appointed, came to an end. We are aware that the bank has some official Directors and some non-official Directors. According to the present scheme, the representatives of the workers and the representatives of the Officers are also treated as non-official directors. Now, some directors had been appointed in 1995 at the time when the Congress was in power. They completed their three-year term. Then in April 1998, unfortunately, it took us a little time, and it is taking us a little time, not for the reasons which Mr. Salim has mentioned, but for an entirely different reason. Even the Congress Government, which came into office in 1991, had appointed these Directors in 1995. So, it takes a little time. It is not because there is an Alliance in Government today or because there was one party in Government. Let us not look for reasons where reasons do not exist. It has taken us a little time. What happens is, when the theee year term comes to an end, then a Member of the Board, who is a non-official Director, lives almost from day-to-day, because the moment the Government makes an appointment, his term will come to an end. I personally felt that this was not a very right kind of an arrangement that they should continue on almost a day-to-day basis. Therefore, we put our heads together and decided that we

should bring their tenure to an end, by an amendment of the scheme. On 20th January this year we amended the scheme. Because the workmen-director and the Officer-director were also in the category of non-official directors, they also had to go under this arrangement. It is not that we were holding something against them. It is not that we are not aware of their value or we want to keep them out because the financial year was coming to an end. It was merely because the non-official directors' tenure had to come to an end through this notification.

Now, an issue has been raised by Pranab Babu in regard to its being laid on the Table of the House or the Government having to wait for 30 days before giving effect to it. We have already gone into it in detail. I would like to mention that there had been similar amendments earlier also which had been given effect to immediately, like we did now. I have come across another formulation for this. This is the Industries (Development and Regulation) Act, 1951, where there is a similar provision. There it is mandatory to take the approval of the House. It talks in terms of a draft notification, not a final notification. So, the legislation is very careful in choosing its words. The present Act does not talk of a draft legislation. It talks of notification as such. As I said, this is the principle that we have followed in this case. In giving effect to it, I had to come to this House and lay it on the Table of both the Houses. This is what I have done. There is a provision in sub-section (6) of Section 9 of the Banking Companies Act which says that it will be laid and, within 30 days, hon. Members have a right to move amendments, like it has been done today. But it also says very clearly that even if the notiication is amended, as Pranab Babu has said, whatever action is taken will be saved. Action will be taken only if the notification comes into effect. Otherwise there will be no action. If we wait for 30 days, as, under the Industries (Development and Regulation) Act, we will wait for 30 days.

There will be no action because the notification will not take effect. In any case, I am not like many distinguished Members of this House. I am neither a legal expert nor a distinguished lawyer. But I would like to say that all these are issues which will be decided in a court of law. In the Delhi High Court, we will defend the position of the Government.

Now, in regard to the other issue which had been raised by Pranab Babu about the new scheme, we are aware that the scheme which has been in force

since 1970, was amended in 1980 and 1988 and on various occasions. This scheme has also a provision regarding reduction of government equity in bank. For instance, let us say, we will bring it down by 20 per cent. Then, two out of these six Directors will be elected by the shareholders. If it goes down by another percentage, then, it will be further reduced and there will be four directors. If it is 20 to not less than 40 per cent, then, four Directors will be elected by the shareholders. Where it is more than 40 per cent which is the case in some banks, then all the six directors, non-official directors, will be elected by the shareholders. This is also part of the scheme. So, I agree entirely with Pranab Babu that this whole thing needs to be looked at afresh. What was valid, let us say, 30 years ago or 20 years ago, may not be valid today. Things have changed, circumstances have changed, and I have come before this House and I will come again. I have explained, and Pranab Babu has quite rightly interpreted this, that the announcement that I have made in this year's Budget speech that we will bring down wherever necessary, we will have an enabling provision in the Bank Nationalisation Act to bring the equity below 50 per cent in Government. I will come before this House and that will be the occasion when we will be looking at provisions relating to the board of directors as well because there are certain issues to which the Government would like to apply its mind. For instance, whether all the directors, non-official directors, should be elected by the shareholders, whether the Government should not retain the right to nominate some people, these are issues which will have to be very carefully considered. So, a totally fresh new look at the whole scheme is very much on the agenda of the Government. When I come with my legislative amendment of the Banking Nationalisation Act, I will be coming with necessary amendments in regard to this scheme also.

On the point raised by Mr. Virumbi, I think the total number of directors who went out as a result of the action of Government was 127. I would like to say that I myself would like to put the officer-director and the workman-director in a separate category so that there is no discontinuity as far as they are concerned. Even the procedure today is extremely complicated. It is a very complex procedure. Whenever a vacancy is likely to arise, we approach the Chief Labour Commissioner in the Ministry. The Chief Labour Commissioner then goes and makes a verification of the membership of the various unions in the banks to find out which is the union which has the majority, which should, then, make a suggestion in regard to

this and submit a panel. Then the union which is so selected submits a panel of three people. Then the bank management sends us a whole lot of other material. They send it to the RBI. It is a very long drawn out procedure. When we take a fresh look at it, we would like it to be streamlined so that the delay part between one and another is taken care of as quickly as possible. That is, as I said, Sir, very much on the agenda. The Government has absolutely no ill-will in bringing this. We want the boards of directors of the banks, as I have said on earlier occasions in this House, to be as professional as possible so that banks function along professional lines. The financial sector is extremely important for the economy of our country. And there is no way we would like to allow anyone to play around with this. Therefore, we have done it with the best of intentions, we will continue to act with the best of intentions in the best interest of the banks, in the best interest of the financial sector as a whole and in the best interest of the national economy. With these words, therefore, I would most earnestly plead with the hon. Members that in view of the clarifications that I have offered, they might consider withdrawing the Statutory Motions. Thank you.

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI): Mr. Dipankar Mukherjee, in view of the clarifications offered by the Finance Minister, are you withdrawing the Statutory Motions?

SHRI DIPANKAR MUKHERJEE: Sir, as I have said earlier, when I initiated the Motions, the main thing which is worrying us, is the continuity, and the Finance Minister has specifically stated that he also wants that e, f and g, that is, employees representative, an employee who is not a workman, and a chartered accountant, their presence in the Board is absolutely imperative. Right now, I could not get a clearcut indication that irrespective of whatever thinking is going on regarding reconstitution of the Board and a comprehensive scheme is being evolved, whether the Finance Minister can give a specific assurance that, at least, the Ministry will see to it that so far as the three parts e, f and g are concerned - I am not going to h-- the continuity will be maintained. If the continuity cannot be maintained for certain reasons, this particular notification which has come, will be withheld, at least, for these three categories so that the continuity is maintained. This is very essential. The employees' representatives are the internal control. They are the internal control when loans are being given, when day- to - day business is transacted. I would like to know whether some provision can be made, certain temporary provision can be made so that the

continuity in these three categories is maintained in the Board till a comprehensive scheme comes.. That is actually what that would assure the depositors. That is what I have to say.

SHRI YASHWANT SINHA: Sir, I have already clarified that as the law stands at the moment, it is not within my power to make such a distinction. But I have also assured the House that when we take up the amendment of the law, we will keep this in mind and make the provision in such a way that these categories of Directors are separately treated from the other categories.

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI): Mr. Mukherjee, does this answer meet your point?

SHRI DIPANKAR MUKHERJEE: Sir, in view of the assurance given by the Minister that the continuity would be maintained, I withdraw the Statutory Motions.

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI): Does he have the leave of the House to withdraw his Statutory Motions?

SOME HON. MEMBERS: Yes.

The Statutory Motions, by leave, were withdrawn.

THE APPROPRIATION (NO. 2) BILL, 2000

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I beg to move:

> "That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 2000-2001, as passed by Lok Sabha, be taken into consideration."

Sir, the amounts provided in the Bill are inclusive of the sums already authorised in the Appropriation Vote on Account Act, 2000, No. 5 of 2000.

The question was proposed.

THE VICE-CHAIRMAN (SHRI T.N. CHATURVEDI) : Shri Arjun Singh. Arjun Singhji, your party has one hour and there are four speakers.